



# California Department of Veterans Affairs

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## NEWS RELEASE

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### CALIFORNIA STATE PROGRAM'S CREDIT RATING IMPROVES CALVET RECENTLY RATED AA- BY STANDARD & POOR'S

**SACRAMENTO – March 4, 2005** – The California Department of Veterans Affairs is proud to report that its CalVet Farm and Home Loan Program's General Obligation Bonds and Home Purchase Revenue Bonds have been upgraded by Standard and Poor's from an "A" rating to an "AA-" rating, based upon the program's financial strength.

"The CDVA staff has worked very hard at improving the CalVet Loan program," said Secretary of Veterans Affairs Tom Johnson. "They have cut our CalVet program administration costs by more than 13% since last year and they have achieved an extremely low delinquency rate of just 1.6% on all loans 60 days or more delinquent or in foreclosure. This higher rating is the result of our professional and savvy staff working hard to make a positive difference. These good results also help keep this excellent program viable so future veterans can also be served."

The CalVet Loan Program offers veterans low interest rates, coupled with a low 2% or 3% down payment requirement (depending on loan program), making it the loan of choice for veterans.

CalVet interest rates are flexible rates, but change infrequently based upon the cost of the bonds used. However, the program's assets, currently at \$2.4 billion, are very stable with costs contained -- making it unlikely the interest rate will increase once a veteran obtains a loan.

The current maximum loan amounts are \$359,650 for homes, \$125,000 for mobile homes in rental parks, and \$539,475 for farms. Since its inception in 1921, CalVet has assisted more than 416,000 veterans.

Current CalVet home loan interest rates as of 01/11/2005 are:

- 4.95% for qualified wartime veterans who served before January 1, 1977 and who apply before 30 years from release from active duty
- 5.50% for loans for all other qualified veterans

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*Note to editors: This News Release and previous CDVA news releases are available on our website at [www.cdva.ca.gov](http://www.cdva.ca.gov) and via e-mail from [jaime.arteaga@cdva.ca.gov](mailto:jaime.arteaga@cdva.ca.gov).*